



First American Title Company

415 Seventh Street, Suite 1, Wallace, ID 83873

Phone (208)556-1104 - Fax (208)556-1106

Escrow Officer: -

Title Officer: Cheri Stein - cstein@firstamholding.com

To: **Union Pacific - Real Estate**
1400 Douglas Street, Stop 1690
Omaha, NE 68179-1690

Order No.: **339537-WA**

Attn: **Mark Jensen**

Your Ref:

Re: Property Address: **NKA, Wallace, ID 83873**

COMMITMENT FOR TITLE INSURANCE

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.


The Requirements in Schedule B-I.

The Exceptions in Schedule B-II.

The Conditions.

This Commitment is not valid without Schedule A and Section 1 and 2 of Schedule B.

First American Title Insurance Company

BY 

PRESIDENT

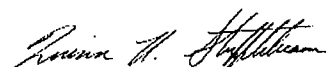
ATTEST 

SECRETARY



Countersigned

First American Title Company



ALTA Plain Language Commitment Form

INFORMATION

The Title Insurance Commitment is a legal contract between you and the Company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy.

The Company will give you a sample of the Policy form, if you ask.

The Policy contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or you as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <http://www.alta.org/>.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT. YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.

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**FIRST COMMITMENT
SCHEDULE A**

1. Commitment Date : **June 04, 2010 at 7:30 A.M.**

2. Policy or Policies to be issued:

Policy Amount Premium Amount

Owner's Policy

Standard Owner's Policy (6/17/06) Form 1402-06

\$ 70,000.00

\$ 550.00

(Premium amount reflects \$no available credit)

Proposed Insured:

To Be Determined and agreed to by the Company

3. A fee simple interest in the land described in this Commitment is owned, at the Commitment Date, by:

Union Pacific Railroad Company

4. The land referred to in this Commitment is described as follows:

The land referred to herein is described in the Legal Description attached hereto.

Commonly known as: NKA, Wallace, ID 83873

Exhibit "A"

Real property in the County of Shoshone, State of Idaho, described as follows:

A parcel of land being on the northeasterly side of the northeasterly right of way line of Interstate 90, Project No.I-IG-90-1(98)60 and I-90-1(47)61 Highway Surveys as shown on the plans on file in the office of the Idaho Transportation Department, and being a portion of Section 27, Township 48 North, Range 4 East B.M., Shoshone County, Idaho, being more particularly described as follows:

Commencing at the witness corner that bears N77°05'27"W a distance of 64.35 feet from the southeast corner of Section 27, Township 48 North, Range 4 East B.M.,

Thence N51°25'01"W a distance of 1321.31 feet to a point 88.98 feet perpendicularly from centerline station 2047+65.16 of said Interstate 90 Highway Surveys and being the REAL POINT OF BEGINNING;

Thence N31°36'27"W a distance of 1311.00 feet to a point;

Thence N43°24'22"W a distance of 1735.61 feet to a point;

Thence S46°35'38"W a distance of 38.65 feet to a point on the centerline of the main channel of the South Fork of the Coeur d'Alene River;

Thence N48°06'15"W along said centerline a distance of 1055.01 feet to a point;

Thence N38°35'14"W along said centerline a distance of 323.84 feet to a point;

Thence N61°05'40"W along said centerline a distance of 513.59 feet to a point;

Thence N70°42'22"W along said centerline (prior to its relocation) a distance of 467.97 feet to a its intersection with the northeasterly right of way line of the relocated Burlington Northern Inc. spur line;

Thence northwesterly along said relocated right of way line being a non-tangent 1457.39 foot radius curve to the right, a distance of 244.66 feet to a point(chord = N41°14'42"W, 244.37 feet);

Thence N36°26'09"W along said relocated right of way a distance of 359.79 feet to a point;

Thence N41°07'51"W along said relocated right of way a distance of 28.52 feet to its intersection with the centerline of the main channel of the South Fork of the Coeur d'Alene River (prior to its relocation);

Thence N19°40'34"W along said centerline (prior to its relocation) a distance of 130.91 feet to a point on the west line of Section 27, Township 48 North, Range 4 East B.M., that bears S00°08'29"E a distance of 125.00 feet from the northwest corner of said section;

Thence S00°08'29"E along said section line a distance of 312.84 feet to its intersection with the northeasterly right of way line of Interstate 90, being a line offset 43.00 feet perpendicularly from centerline Station 1988+82.44 of said Highway Surveys;

Thence southeasterly along said right of way line, being a spiral curve to the right, a distance of 50.54 feet to a point of tangency 43.00 feet perpendicularly from centerline Station 1989+32.82 of said Highway Surveys (chord = S39°47'52"E a distance of 50.54 feet);

Thence S39°44'07"E along said right of way line a distance of 155.69 feet to a point of

curvature 43.00 feet perpendicularly from centerline Station 1990+88.52 of said Highway Surveys;

Thence southeasterly along said right of way line, being a 5686.53 curve to the left, a distance of 557.32 feet to a point of tangency 43.00 feet perpendicularly from centerline Station 1996+50.05 of said Highway Surveys (chord = S42°32'35"E a distance of 557.10 feet);

Thence S45°21'02"E along said right of way line a distance of 1138.02 feet to a point 43.00 feet perpendicularly from centerline Station 2007+88.08 of said Highway Surveys;

Thence S48°22'11"E along said right of way line a distance of 512.63 feet to a point 70.00 feet perpendicularly from centerline Station 2013+00 of said Highway Surveys;

Thence S45°21'02"E along said right of way line a distance of 750.00 feet to a point 70.00 feet perpendicularly from centerline Station 2020+50 of said Highway Surveys;

Thence N44°38'58"E along said right of way line a distance of 60.00 feet to a point 130.00 feet perpendicularly from centerline Station 2020+50 of said Highway Surveys;

Thence S53°01'02"E along said right of way line a distance of 787.04 feet to a point 235.00 feet perpendicularly from centerline Station 2028+30 of said Highway Surveys;

Thence S43°20'28"E along said right of way line a distance of 570.35 feet to a point 215.00 feet perpendicularly from centerline Station 2034+00 of said Highway Surveys;

Thence S40°02'14"E along said right of way line a distance of 692.05 feet to a point 150.84 feet perpendicularly from centerline Station 2040+89.67 of said Highway Surveys;

Thence S25°14'55"E along said right of way line a distance of 217.53 feet to a point 68.98 feet perpendicularly from centerline Station 2043+00 of said Highway Surveys;

Thence leaving said right of way line and continuing S50°44'17"E a distance of 31.14 feet to a point 68.98 feet perpendicularly from centerline Station 2043+31.81 of said Highway Surveys;

Thence southeasterly along a 1345.02 radius curve to the left a distance of 275.32 feet to a point 68.98 feet perpendicularly from centerline Station 2046+21.25 of said Highway Surveys (chord = S57°08'21"E, 274.84 feet);

Thence S65°20'40"E a distance of 137.90 feet to a point 68.98 feet perpendicularly from centerline Station 2047+65.16 of said Highway Surveys;

Thence N22°53'15"E a distance of 19.99 feet to the REAL POINT OF BEGINNING.

Excluding that portion of the right of way of the rail-banked Wallace and Mullan Branches of the Union Pacific Railroad Company (excluding "Carved Out Areas") as described in that certain quitclaim deed from Union Pacific Railroad Company to Idaho Department of Parks and Recreation recorded as Shoshone County Instrument No. 447167 that is included within the above described parcel.

Also Excluding any portion of Northside Frontage Road.

SCHEDULE B-SECTION I
REQUIREMENTS

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (e) Release(s) or Reconveyance(s) of items(s) .
- (f) If any document in the completion of this transaction is to be executed by an attorney-in-fact, the Power of Attorney must be submitted for review prior to closing.
- (g) Idaho Code §31-3504 permits the state or counties that provide indigent medical assistance to a lien upon real property of the person provided assistance. We require the attached affidavit to be completed prior to recording to eliminate an exception to such lien.
- (h) With respect to Union Pacific Railroad Company a corporation, we require:
 - a. A certified copy of good standing of recent date issued by the secretary of state of the corporation's state of domicile.
 - b. A certified copy of a resolution of the board of directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

SCHEDULE B -SECTION II EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

PART I:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title including discrepancies, conflicts in boundary lines, shortage in area, or any other facts that would be disclosed by an accurate and complete land survey of the land, and that are not shown in the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any liens, or rights to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
7. 2010 taxes are an accruing lien, not yet due and payable until the fourth Monday in November of the current year. The first one-half is not delinquent until after December 20 of the current year, the second one-half is not delinquent until after June 20 of the following year. Taxes which may be assessed and entered on the property roll for 2010 with respect to new improvements and first occupancy, which may be included on the regular property, which are an accruing lien, not yet due and payable.

General taxes as set forth below. Any amounts not paid when due will accrue penalties and interest in addition to the amount stated herein:

Year	Original Amount	Amount Paid	Parcel Number
2009	\$472.80	\$472.80	48N04E273750
2009	\$546.18	\$546.18	B00000278450

Homeowners Exemption is not in effect for 2009.

Circuit breaker is not in effect for 2009.

Agricultural Exemption is not in effect for 2009.

8. Levies and assessments of the City of Wallace.
9. Levies and assessments of East Shoshone Water District.
10. Levies and assessments of South Fork Coeur d'Alene River Sewer District.
11. Provisions in deed to Charles A. Duncan, recorded October 30, 1930, in Book 63 of Deeds, page 441 .

12. Provisions in deed to Union Pacific Railroad Company, recorded October 16, 1978, as Instrument No. 275830 and in deeds recorded October 16, 1985, as Instrument Nos. 319476, 319477 and 319478.
13. Easement granted to Burlington Northern Inc., a Delaware Corporation, recorded April 10, 1979, as Instrument No. 278324.
14. Easement granted to Elizabeth Ann Kahler, John J. Uhl, David Walter Uhl, Kathleen Esther McPherson and Nancy Viola Smith, recorded July 27, 1991, as Instrument No. 347958.
15. Easement as disclosed by Easement, Right of Way, and Permit Assignment and Assumption Agreement granted to Citizens Utilities Company, a Delaware Corporation, recorded December 23, 1992, as Instrument No. 355409.
16. Lease Agreement between Spunstrand, Inc. and Union Pacific Railroad Company as disclosed by UCC Financing Statement recorded May 10, 2004 as Instrument No. 416163.
17. Provisions in deed to State of Idaho, Department of Parks and Recreation, recorded September 5, 2008, as Instrument No. 447167.
18. Unrecorded leaseholds; rights of parties in possession, rights of secured parties, vendors and vendees under conditional sales contracts of personal property installed on the premises herein, and rights of tenants to remove trade fixtures.
19. Railroad right-of-way acquired pursuant to the General Right of Way Act of March 3, 1875 (18 Stat. 482, 43 U.S.C. 934).
20. Except all minerals in or under said land including but not limited to metals, oil, gas, coal, stone, and mineral rights, mining rights, and easement rights or other matters relating thereto whether expressed or implied.

NOTE: The foregoing numbered exceptions (1-6) may be eliminated in an ALTA Extended or EAGLE Coverage Policy.

INFORMATIONAL NOTES

- A. Pursuant to the State of Idaho Insurance Regulations: A cancellation fee will be charged on all cancelled orders, unless notified to the contrary, all orders shall be cancelled and a billing sent within 6 months of the effective date on the commitment.

CONDITIONS

1. DEFINITIONS

(a)"Mortgage" means mortgage, deed of trust or other security instrument.

(b)"Public Records" means title records that give constructive notice of matters affecting your title according to the state statutes where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section II may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attach between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section I are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

Comply with the Requirements shown in Schedule B - Section I
or

Eliminate with our written consent any Exceptions shown in Schedule B - Section II.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.



First American Title Company
415 Seventh Street, Suite 1, Wallace, ID 83873
Phone (208)556-1104 - Fax (208)556-1106

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.